

# House File 2634 - Introduced

HOUSE FILE \_\_\_\_\_  
BY LUKAN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the granting of property tax credits to  
2 businesses that voluntarily prohibit smoking in the workplace.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 6029HH 82  
5 mg/nh/14

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1 1 Section 1. NEW SECTION. 427B.29 VOLUNTARY SMOKEFREE  
1 2 COMMERCIAL PROPERTY TAX CREDIT.  
1 3 1. Property assessed as commercial property that is used  
1 4 and operated for a for-profit or nonprofit business is  
1 5 entitled to a property tax credit, as provided in subsection  
1 6 2, if the owner or operator of the business voluntarily  
1 7 prohibits smoking in all buildings and structures located on  
1 8 the property that is used in the operation of the business.  
1 9 If the state or a local authority prohibits smoking in the  
1 10 workplace, a business affected by this prohibition shall not  
1 11 receive the property tax credit under this section beginning  
1 12 with the month following the effective date of the state or  
1 13 local prohibition.  
1 14 2. The amount of the tax credit equals five hundred  
1 15 dollars for a calendar year. The credit shall apply to  
1 16 property taxes payable in the fiscal year following the  
1 17 calendar year. However, if a business does not voluntarily  
1 18 prohibit smoking for the entire calendar year or is ineligible  
1 19 to receive the tax credit because of the enactment of a state  
1 20 or local law prohibiting smoking in the workplace during the  
1 21 calendar year, the amount of the tax credit shall be prorated  
1 22 and the amount of the credit shall equal the maximum amount of  
1 23 the credit for the calendar year, divided by twelve,  
1 24 multiplied by the number of months the business is eligible.  
1 25 The credit shall be rounded to the nearest ten dollars. If  
1 26 the business is eligible during any part of a month, the  
1 27 business shall be considered eligible for the entire month.  
1 28 3. A business seeking the property tax credit under this  
1 29 section shall annually file notice and application to that  
1 30 effect in the calendar year for which the tax credit will be  
1 31 computed. The notice and application shall be sent to the  
1 32 county board of supervisors or the board's designee. The  
1 33 board or board's designee shall approve or deny the tax credit  
1 34 by March 1 following that calendar year and notify the  
1 35 business and the county auditor. In the event of denial, the  
2 1 business has thirty days to appeal the denial to the board of  
2 2 supervisors or the board's designee. Upon approval, the  
2 3 amount of the tax credit shall be apportioned by the county  
2 4 treasurer to the several taxing districts. In the case of  
2 5 change of ownership, the credit shall follow the title to the  
2 6 business property.  
2 7 Sec. 2. APPLICABILITY. Section 25B.7 does not apply to  
2 8 the property tax credits allowed in this Act.

### EXPLANATION

2 9  
2 10 This bill allows a business a property tax credit of up to  
2 11 \$500 for voluntarily banning smoking at its workplace. The  
2 12 credit ceases or is not available upon enactment of state or  
2 13 local law that prohibits smoking in the workplace. The tax  
2 14 credit is based on the number of months in the calendar year  
2 15 preceding the fiscal year in which the taxes are payable that  
2 16 the business voluntarily prohibits smoking. The business must  
2 17 apply annually to the county board of supervisors or the  
2 18 board's designee. The provision in the Code that requires the  
2 19 state to fully fund new property tax credits and exemptions in  
2 20 order that the local jurisdictions must grant such credits or

2 21 exemptions is made inapplicable to the tax credit in the bill.  
2 22 LSB 6029HH 82  
2 23 mg/nh/14